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*From the Consul General of Denmark for Canada to the Secretary of State
for External Affairs of Canada.*

OTTAWA, 18th June, 1929.

SIR,—It being the desire of our respective Governments to effect an arrangement for reciprocal exemption from Income Tax of income arising within their respective countries from the operation therein of ships owned or controlled by and used in the business of persons or corporations resident in the country of the other, I have the honour to inform you that the Government of Denmark agrees to the following undertaking:—

1. In respect of Denmark the Danish Government undertakes that in accordance with the Danish law the income from the operation of ships owned or operated by persons or corporations resident in Canada shall not be liable to taxation.
2. In respect of Canada the Canadian Government undertakes that in accordance with the provisions of the Income War Tax Act the income from the operation of ships owned or operated by persons or corporations resident in Denmark shall in like manner be exempt from taxation.
3. It is understood that the expression "operation of ships" means the business carried on by an owner of ships and that for the purpose of this definition the expression "owner" includes any charterer.
4. It is agreed that the exemption from income tax on the income derived from the operation of the aforementioned ships shall be deemed to be effective in respect of the income of fiscal periods ending in the year 1929 and each year thereafter until rescinded by either party giving to the other notice one year in advance of the fiscal periods affected, or until otherwise rescinded by the repeal of the income tax laws of either country.
5. It is further agreed that taxes which have been paid by persons or corporations resident in the country of the other and which have been paid more than a year from the date hereof shall not be refunded.

I have the honour to be, etc.,

J. E. BOGGILD,

Consul-General of Denmark.

The Right Honourable
The Secretary of State
for External Affairs,
Ottawa.